

1 Q. Mr. Price, do you have a college degree?

2 A. Yes, I do

3 Q. And from what institution and in what
4 subject?

5 A. Princeton University Woodrow Wilson School
6 of International Affairs

7 Q. What year was that?

8 A. 1962.

9 Q. Do you have any postgraduate education?

10 A. Yes.

11 Q. And in what subject?

12 A. Law.

13 Q. You have a law degree sir?

14 A. Yes. I do

15 Q. From what institution?

16 A. Yale Law School

17 Q. What year did you receive that?

18 A. 1965.

19 Q. Upon graduation from Yale Law School, did
20 you go to work as an attorney?

21 A. Upon graduation I went into the Air Force.

22 Q. Were you in the JAG Corps or some other

1 A. What page number is that?

2 Q. Mr. Price, if you would just take a look
3 at--flip through Exhibit 7. It's kind of long and
4 I'm not going to quiz you about it. I'm not going
5 to quiz you about every page. I'm just going to
6 ask you about the document generally.

7 (Counsel confers with the witness.)

8 A. I'm just going to flip through quickly in
9 the interest of time, yes.

10 Q. Do you recall having seen a document of
11 this particular format, if not necessarily this
12 exact document before?

13 A. Yes.

14 Q. Do you recognize this as something that
15 was regularly prepared for Liberty or by Liberty's
16 people?

17 A. That's correct.

18 Q. I noticed that in the top left corner
19 there are dates. For example, on the first page of
20 the exhibit there is the date April 4, 1996, and
21 there are other dates back in the document.

22 A. Yes, I see them.

1 Q. Were these prepared weekly, to your
2 knowledge?

3 A. As I recall, they were prepared weekly.

4 Q. And did you receive a copy of them every
5 week?

6 A. Yes, I did.

7 Q. Now, was there a meeting, a regular weekly
8 meeting, that you had with your staff?

9 A. Yes.

10 Q. And this would have been held during the
11 time period we have been talking about, '93, '94,
12 '95?

13 A. That's correct.

14 Q. And was this operations report for that
15 week, was that a subject of discussion at the staff
16 meeting?

17 A. Yes, it was.

18 Q. In addition to the staff--that is, the
19 people who reported to you--were there other people
20 of senior management who attended these staff
21 meetings regularly?

22 A. Yes.

1 Q. Which of the Milstein brothers attended?
2 Or did both?

3 A. Both.

4 Q. Approximately how long did each of these
5 staff meetings run?

6 A. Generally an hour, sometimes up to two
7 hours, but generally an hour.

8 Q. Now, can you tell me the use that was made
9 of these technical operations reports at the staff
10 meeting.

11 A. The use was to coordinate the marketing
12 with the installation procedure and to coordinate
13 any licensing that was required in order to move
14 from contract to installation. As well as, during
15 installation, questions that would arise concerning
16 marketing and installation as to what was expected
17 or what a particular customer was promised and what
18 they received. Did they order one box? Two boxes?
19 Was the installation prepared according to spec?
20 That sort of thing.

21 Q. Now, when the company used the term
22 "installation" in this progress report, do you know

1 A. Yes. The "I" Block was referred to in
2 install blocks, so we made a general record of the
3 buildings where we were operating so we could
4 identify the new building was also in the same
5 block where we already had a receive site; i.e. an
6 installed location.

7 Q. Now, in this particular list here, is it
8 correct that the buildings or facilities--"yacht
9 club," if you want to call it a building--on the
10 right column, are those buildings that are fed by
11 cable from the corresponding location in the left
12 column?

13 A. I believe they are. It looks like the
14 list of those that are fed by--whether that's the
15 comprehensive list at this moment, I don't know,
16 but as of this date it purports to be a list of
17 what was served at that time in that fashion.

18 Q. And then underneath that, the content has
19 been redacted, but there is the heading private
20 building complexes which are interconnected. I
21 take it that referred to something different?

22 A. Yes. I presume it does.

1 Q. Did you review this document in draft
2 before it was filed, sir?

3 A. I believe I did.

4 Q. Was there a draft of this document sent up
5 to you in your office in New York either by
6 overnight or facsimile?

7 A. I believe it was.

8 Q. And I note that your declaration appears
9 to be a reproduction of a facsimile?

10 A. That could very well be.

11 Q. Can you recall whether or not you faxed
12 your signature back on the 25th of April?

13 A. If it says that, I presume I did.

14 Q. Now, on April 5th, 1995, did you have any
15 knowledge that Liberty was operating microwave
16 paths without FCC licenses?

17 A. No, I did not.

18 Q. Do you remember whether or not the
19 information that you previously testified to, the
20 suggestion that you previously testified, there had
21 come to you a suggestion that Liberty was operating
22 an unlicensed microwave path, do you know if that

1 came before or after April 5th, 1995, the date you
2 executed this declaration that you are looking at
3 here?

4 A. I don't recall the precise date.

5 Q. And you can't say whether it was before or
6 after the date that you signed this declaration?

7 A. I would have to read this again in detail
8 and look at whatever else was going on at that
9 time, but I just can't pick it out cold.

10 I could tell you this: I did not know we
11 were operating unlicensed paths. And if I did, I
12 would have done something about it immediately. So
13 if you're asking me, is there something I said here
14 that was a denial that we were doing something
15 wrong and I knew we were doing something wrong,
16 that's not correct, and I don't like the inference.

17 Q. I'm not asking you that, sir.

18 A. If that's what you're asking, that's the
19 answer. If you're not asking that, I apologize.

20 Q. I don't think this document says anything
21 about--

22 A. I didn't read the document. I want to

1 make sure because I haven't read it.

2 (Price Exhibit No. 6 was

3 marked for identification.)

4 Q. Mr. Price, you have been handed what's
5 been marked for your deposition as Exhibit 6. And
6 for the record it is a copy of opposition to
7 Petition to Deny or Condition Grant in FCC file
8 number 712203 and 711937.

9 A. Yes.

10 Q. I will represent to you just in the
11 interest of speeding up time that I think this
12 document appears to be substantially identical to
13 the previous one you looked at, with the change of
14 a few addresses.

15 A. I will accept that.

16 Q. And again, there is what appears to be a
17 copy of a facsimile declaration of Peter O. Price
18 on the back of the document which I would like you
19 to just look at and confirm as your signature.

20 A. That is my signature.

21 Q. And it's dated 5/1/95?

22 A. That's correct.

1 Q. And again, just for the record, I take it
2 that before you executed the declaration, you
3 reviewed this document in draft form?

4 A. Yes.

5 Q. And finally, I want to ask you whether or
6 not you recall knowing on May 1st, 1995, whether or
7 not Liberty was operating any unlicensed microwave
8 paths.

9 A. I don't know without going back into the
10 record exactly when these meetings took place when
11 we made those discoveries.

12 Q. I don't have anymore questions about this
13 document, unless looking at it refreshes your
14 recollection in any way.

15 A. No.

16 (Price Exhibit No. 7 was
17 marked for identification.)

18 Q. You have been handed what's been marked as
19 Exhibit 7 to your deposition. It is the surreply
20 of Liberty Cable Company in file numbers 712218 and
21 712219. Take your time to look at it, and I'm
22 going to ask you a few more questions about it than

1 A. Yes.

2 Q. I think we established through your
3 testimony that you became aware of the fact that
4 Liberty was providing unauthorized service as a
5 result of the May 5th filing by Time Warner with
6 the FCC.

7 A. Yes.

8 Q. Is that correct?

9 A. That's what I believe. I presume from
10 that that was a trigger, yes. I didn't say that
11 was the trigger. It was a trigger.

12 Q. The question is, to your personal
13 knowledge, did you, yourself--meaning Peter Price,
14 not necessarily Liberty Cable as an entity--have
15 any knowledge prior to hearing or learning of the
16 allegations in Time Warner's pleading?

17 A. No, I did not. Absolutely, no, I did not.

18 Q. Are you aware of whether or not, apart
19 from whatever this affidavit says, whether or not
20 Mr. Milstein, Mr. Howard Milstein, had any such
21 knowledge prior to the filing of Time Warner's
22 pleading at the FCC which you said was the

1 A. I got to tell you. They went to everybody
2 and said we were illegal in every respect every day
3 of the week. Those kind of frivolous filings by
4 Time Warner caused us to have a pretty thick skin
5 about them calling wolf about Liberty.

6 When they called something and we looked
7 into it and it turned out we had a problem, that's
8 different. We took that very seriously.

9 Q. That's the instance I'm talking about now.
10 And when Time Warner would file Petitions to Deny
11 against your microwave applications, and I believe
12 at the time you said it may be sometime in the
13 first quarter or April of '95 where you learned
14 that paths were being operated without prior
15 authorization, at that point did you consider Time
16 Warner's petitions serious?

17 A. You bet.

18 Q. And at that point would they have been
19 discussed in your weekly meetings?

20 A. They would have been discussed at a point
21 where we figured out the foundation for them. We
22 wouldn't get--if we were made aware of a petition

1 on a Tuesday and the management meeting was on a
2 Thursday, we wouldn't circulate a Time Warner
3 petition among a group of operating people until we
4 asked our lawyers what it meant, until we
5 investigated the foundation for it, analyzed the
6 operating implications and go back to our people
7 and say we have a problem.

8 Would we circulate among management
9 another petition from Time Warner until we looked
10 into it? No. It wouldn't make any sense. We
11 would just frighten a lot of people with another
12 assault from Time Warner that may or may not have a
13 foundation.

14 Q. How long did this process take of
15 investigating to see if it had any merit?

16 A. Depends upon the particular petition. If
17 you are talking about the initial one from Time
18 Warner that talked about the two unauthorized
19 locations, maybe it was a couple of weeks. I don't
20 know. I'm speculating, but we didn't turn around
21 and circulate it at the management meeting and say
22 Time Warner has a problem, and if they have a

EXHIBIT 2

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

- - - - -X
: In re: Application of : WT Docket No.
: : 96-41
: Liberty Cable Co., Inc. :
: :
- - - - -X

CONFIDENTIAL

Wednesday, May 29, 1996

Washington, D.C.

The deposition of BEHROOZ NOURAIN, called for examination by counsel for Federal Communications Commission in the above-entitled matter, pursuant to notice, in the offices of Fleischman and Walsh, 1400 16th Street, N.W., Sixth Floor, Washington, D.C., convened at 9:47 a.m., before David A. Kasdan, RPR, a notary public in and for the District of Columbia, when were present on behalf of the parties:

1 not it would be advisable for you to obtain
2 separate counsel?

3 A. There was a discussion, they gave me the
4 choice, and I said that I chose them, and that's
5 where we are.

6 Q. Could describe for us your educational
7 background.

8 A. I finished high school at my home country
9 in Iran, Tehran.

10 September 1970 I entered Michigan Tech
11 University, and I completed my Bachelor of Science
12 degree in electrical engineering 1974, and
13 continued in same university and obtained my
14 Master's degree on September '75.

15 So I have a Bachelor of Science and Master
16 of Science in electrical engineering from Michigan
17 Technological University.

18 Q. Upon graduating with your Master's, did
19 you then begin to work as an electrical engineer?

20 A. Yes.

21 Q. And where did you work at that time?

22 A. I moved back to my home country, Tehran,

1 and I was working for National Iranian Oil Company
2 in Tehran, Iran.

3 Q. How long did you work there?

4 A. Started in '76, and I was there until
5 1983.

6 Q. And where did you go at that point?

7 A. I moved back to the United States, and
8 November 1983 started work for Western Union
9 Telegraph Company.

10 Q. What did you do for Western Union?

11 A. I was systems engineer.

12 Q. What kind of systems did you work on at
13 Western Union?

14 A. Microwave systems and involved in some
15 fiber optics.

16 Q. When did you leave Western Union?

17 A. Last day was on December 1985, that month.

18 Q. Where did you go at that point?

19 A. I started with a company named Local Area
20 Telecom the following January in New York City.

21 Q. You started this company? Did you say you
22 started this company?

1 A. I started with this company.

2 Q. What kind of work did you do there?

3 A. I was engineer manager.

4 Q. What kind of engineering work did you do?

5 A. Short-haul microwave systems.

6 Q. When you said "manager," what did you mean
7 by "manager"?

8 A. It was merely a title because it was Vice
9 President of Engineering, which was in charge of
10 engineering. And I was the first actual electrical
11 engineering they hired, and I was doing a lot of
12 engineering work as well as managing my work and
13 performing managerial work such as ordering
14 materials and talking to the vendors. Basically
15 project manager. It was mostly a project manager.

16 Then a day-to-day manager of the
17 department, the vice president of the engineer
18 department.

19 Q. Did you have engineers underneath you?

20 A. At the time when I started, no.

21 Q. Eventually you had a staff of engineers
22 working under you?

1 A. Eventually, what I recall, one engineer
2 was hired possibly six or seven months after I was
3 there because the workload, and then within few
4 months after that we did complete restructuring.
5 And then I was promoted to Director of Engineering.
6 And we hired one more, and I don't know exactly
7 when, but by the time I left the company, the
8 company had about four engineers working for me,
9 and I was Senior Director of Engineering, and the
10 person I was referring to, I replaced him so I was
11 actually head of the engineering.

12 So the progression's really for five
13 years. It was slow. It was a small company.

14 Q. Were the type of facilities that you
15 worked on here facilities that required FCC
16 authorizations?

17 A. Yes.

18 Q. Did you have any responsibilities in
19 applying for the FCC authorizations?

20 A. As part of getting the FCC authorization,
21 the only responsibility I had was to engineers
22 assistant and get the coordination to the search

1 firm. We had a general counsel in the company
2 which would do with the help of--I believe they had
3 some people in Washington who were probably working
4 on applications. They were doing strictly the
5 legal part of that work. My job was to--or my
6 people, my staff--do the design of the system, get
7 the coordination, all the technical part and sent
8 to search firm, whether it was Comsearch or others.
9 And at that point the counsel, in-house counsel,
10 will take over and take care of any related FCC
11 work.

12 Q. Where did you go after leaving this
13 company?

14 A. Left, I believe, 1990, the end of 1990,
15 and then I got a consulting position with a company
16 called Micronet in, I believe, Jamison,
17 Pennsylvania, or some areas like that.

18 Q. And what did you do for Micronet?

19 A. I was working on their--I was a consultant
20 to work on some engineering projects that they had
21 which was mainly upgrade of their existing system,
22 microwave systems.

1 And that was part of the job they hired me
2 for, and I was doing some other engineering
3 proposals since I was hired as an engineer there to
4 help out the company. They didn't have a complete
5 engineering staff, that some guy was head of the
6 engineering and I was doing consulting.

7 Q. Were the microwave systems operated by
8 Micronet also microwave systems requiring FCC
9 authorizations?

10 A. Those systems were already built. It was
11 just operate the equipment. And if it was needed
12 to be licensed for it, they were all procured by
13 that, and I wasn't even involved in that part of
14 it.

15 Q. How long were you with Micronet?

16 A. I was there until August of same year,
17 1981. I was there about eight months.

18 Q. You mean '91?

19 A. I'm sorry. '91.

20 Q. Where did you go after leaving there?

21 A. I didn't work until I joined this company.
22 I broke my leg, so I had an operation. So in

1 August of 1991 until March of 1992 I wasn't
2 working.

3 Q. Did you join Liberty, then, in March of
4 '92?

5 A. I think would be somewhere March of '92 or
6 April. I'm not sure of the date, but late March or
7 very early April, because I know I did some
8 interview March. I don't know exactly when the
9 starting date.

10 Q. What was the position you were hired as?

11 A. They had advertising in New York Times
12 that they needed systems engineer, microwave
13 engineer, one or the other, for 18 gigahertz
14 microwave systems, and that's where I applied.

15 And they told me that the company policy
16 is that they hire me as a consultant as they
17 generally do for a couple of months. And if
18 everything works out, from there I would--if we
19 like each other, I would be hired permanent.

20 So from what I believe first couple of
21 months somewhere in May, I was hired as a
22 consultant, and I was doing engineering work.

1 Q. Who at Liberty if you can recall, hired
2 you as a consultant?

3 A. I interviewed with a man named Joe Stern
4 because he was the person who put the ad in the
5 paper on behalf of Liberty.

6 He made an arrangement for me to meet
7 Bruce McKennon, which I guess was vice president of
8 operations at the time. I don't remember his exact
9 title. Then I interviewed with him.

10 And then became an arrangement that I
11 start as a consultant, as I mentioned before.

12 Q. Did you know either Mr. Stern or
13 Mr. McKennon prior to interviewing with them?

14 A. No.

15 Q. As a consultant, what were your initial
16 responsibilities for the company?

17 A. I was told--actually was told by
18 Mr. Stern, I was talking that his responsibility
19 was prior to my joining the company to get involved
20 into building the microwave network, and at that
21 point he said just his job was pretty much
22 completed, and they need someone to actually

1 continue from there to operate, continue the
2 microwave network, working on the microwave network
3 because the network was built about three or four
4 months prior to that.

5 So I was hired to pretty much--I was told
6 to start over, and they continued with what's been
7 on plan, and we decide after two months I was told
8 how we were going to go at that time.

9 Q. And how were you going to go at that time?

10 A. The question is what happened after the
11 two months?

12 Q. Right.

13 A. No, no. If you recall on the previous
14 discussion, they said this is going to be two
15 months until we see how we like each other and from
16 there on they will decide that they want to hire me
17 permanently. The reason is I didn't want to work
18 as a consultant. My aim was to be permanent.

19 So I took that job with the understanding
20 that after the interim period, which they told me
21 generally is a company policy, if I was going to
22 continue with this company, I should be employed as

1 a permanent.

2 Q. I take it after the two months they did
3 hire you permanently?

4 A. That is correct.

5 Q. Did your duties or responsibilities change
6 at all upon being hired permanently?

7 A. I'm sorry?

8 Q. Did your duties or responsibilities change
9 at all after you were hired permanently as opposed
10 to what you were doing when you were a consultant?

11 A. Very minimal change.

12 The only thing was during that interim
13 period, I was working basically with a current
14 consultant, Stern Communications, and I would look
15 at about now, look back on it, it was a transition
16 period. The idea was for me not to do my work, to
17 decide after two months to go with that,
18 understanding that, even with Mr. Stern,
19 understanding that I will probably slowly take
20 over, and my responsibility would be more and more
21 and his firm's responsibility would be less and
22 less, until at some point I would probably take

1 technically on their own.

2 Q. Did you send the PCN to anybody else?

3 A. After I reviewed them?

4 Q. Yes.

5 A. No.

6 Q. Anywhere within this process of beginning
7 work on a building, did you have any contact or
8 were you to have any contact with the people at
9 Pepper & Corazzini?

10 MR. BEGLEITER: I'm going to object, but
11 go ahead and answer if you can. You can answer the
12 question.

13 THE WITNESS: Yes. The time that I start
14 with Pepper & Corazzini was--only talk with Pepper
15 & Corazzini was the only time after I reviewed the
16 Comsearch information that I proceeded to them and
17 they did the search study.

18 At that point I told--the procedure was
19 that after some time needed to be corrected, either
20 there was a typing mistake or something didn't go
21 to them, and after they completed theirs and I was
22 satisfied with coordination, and probably go with